

EXHIBIT 1

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11
12 IN THE UNITED STATES DISTRICT COURT
13 FOR THE EASTERN DISTRICT OF TENNESSEE
14 CHATTANOOGA DIVISION
15

16 TAMI LONG, individually and on behalf
17 of all others similarly situated,

18 Plaintiff,

19 v.

20 COVENANT TRANSPORT, INC., a
21 Tennessee corporation,

22 Defendant.
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Case No. 1:15-cv-00278-TRM-SKL

Judge: Hon. Travis R. McDonough

**JOINT STIPULATION OF CLASS
ACTION SETTLEMENT AND RELEASE**

1 **JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE**

2 This Joint Stipulation of Class Action Settlement and Release (“Stipulation of
3 Settlement” or “Settlement”) states the proposed terms of the class action settlement of *Tami Long*,
4 *et. al.*, v. *Covenant Transport, Inc.*, Case No. 1:15-cv-00278-TRM-SKL (the “Action”). The terms
5 stated below are agreed to and binding on Plaintiff Tami Long (“Plaintiff”), and Defendant Covenant
6 Transport, Inc. (“Defendant”) (collectively, the “Parties”). Once approved by the Court, the
7 Settlement will be binding on Plaintiff, Defendant, and on the Settlement Class (as defined below)
8 that Plaintiff purports to represent, under the terms stated herein.

9 **SUMMARY OF THE LITIGATION AND SETTLEMENT**

10 1. On August 17, 2015, Plaintiff Tami Long sued Defendant Covenant
11 Transport, Inc., in the Los Angeles Superior Court, Case No. BC591375 (the “Complaint”), which
12 Defendant removed to the United States District Court, Central District of California on September
13 17, 2015. On October 2, 2015, the Parties stipulated to transfer the Action to the U.S. District Court
14 for the Eastern District of Tennessee in Chattanooga, under 28 U.S.C. § 1404(a). On behalf of
15 herself and all other truck drivers employed by Defendant who were paid on a piece-rate basis and
16 who drive or drove routes in California, Plaintiff alleges in her Complaint causes of action under
17 California law for: (1) Failure to pay separately and hourly for time spent by drivers on rest breaks
18 and on-duty not driving time; 2) Failure to provide paid rest periods and pay missed rest break
19 premiums; (3) Failure to provide meal periods; (4) Failure to provide accurate wage statements; (5)
20 Waiting time penalties; (6) Failure to reimburse business expenses; (7) Penalties under the Labor
21 Code Private Attorney Generals Act of 2004 (“PAGA”), California Labor Code sections 2698, *et*
22 *seq.*; and (8) Violation of California Business and Professions Code sections 17200, *et seq.* (the
23 “UCL”).

24 2. Plaintiff claims the causes of action in her Complaint have merit. Defendant
25 denies Plaintiff’s causes of action have merit, denies any liability or wrongdoing, and denies Plaintiff
26 is entitled to relief under any of the statutes cited in those causes of action. Defendant also denies
27 that, for any purpose other than settling these matters, these actions are appropriate for class
28 treatment. Defendant maintains it has complied with California law in all aspects.

2.

JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE

1 3. Class Counsel (defined below) has conducted a thorough investigation into the
2 facts of the Complaint and has diligently pursued an investigation of Plaintiff's and Class Members'
3 claims against Defendant. As part of informal discovery in advance of a private mediation,
4 Defendant produced, and Class Counsel reviewed, wage statements, wage and hour policies and
5 Plaintiff's personnel records. Defendant also produced data and information about the size of the
6 Settlement Class and their percentage of routes in California. The Parties recognize the issues in the
7 Action are likely only to be resolved with extensive and costly proceedings; recognize that further
8 litigation will cause inconvenience, distraction, disruption, delay and expense disproportionate to the
9 potential benefits of litigation; and recognize the risk and uncertainty of the outcome inherent in any
10 litigation. Based on their own independent investigation and evaluation, Class Counsel is of the
11 opinion that the Settlement with Defendant for the consideration and on the terms in this Stipulation
12 of Settlement is fair, reasonable, and adequate and is in the best interest of the Class in light of all
13 known facts and circumstances, including the risk of significant delay, defenses asserted by
14 Defendant, and numerous potential appellate issues. Likewise, while Defendant specifically denies
15 all liability in the Action, it has agreed to enter into this Stipulation of Settlement to avoid the cost
16 and business disruption associated with further defending the Action.

17 4. On June 14, 2016, Defendant, Defendant's Counsel (defined below) and Class
18 Counsel, on behalf of the Plaintiff and the putative class, participated in a mediation conducted by
19 Michael Dickstein, a highly-respected national neutral mediator specializing in wage and hour
20 mediations, to resolve all disputes related to the Action. With Mediator Dickstein's assistance, the
21 Parties agreed, subject to approval of this Court, to a Settlement (defined below) of the Action. The
22 Parties further agreed to enter into this Agreement (defined below) to memorialize their settlement of
23 the Action.

24 5. Plaintiff is represented by: Craig J. Ackermann of Ackermann & Tilajef, P.C.;
25 Jonathan Melmed, of Melmed Law Group, P.C.; and Barry Goldstein, who is of counsel to
26 Goldstein, Borgen, Dardarian & Ho, but who participated in his individual capacity as a consultant
27 to putative Class Counsel and to their local counsel Donna Mikel of Burnette, Dobson & Pinchak in
28 Chattanooga, Tennessee. The Parties agree to request these counsel be appointed by the court as

counsel for the Settlement Class, as defined herein, and are collectively referred to as "Class Counsel." Counsel for the Defendant in the Action are Richard H. Rahm, Kai-Ching Cha and Perry K. Miska of Littler Mendelson, P.C. ("Defendant's Counsel").

6. The Parties have agreed to fully, finally, and forever compromise and settle all claims asserted in the Action. To achieve a complete release of Defendant, each Settlement Class Member acknowledges this Stipulation of Settlement is intended to include in its effect all claims raised in the Action or that could have been raised based on the facts alleged in the Action, including: 1) failure to pay separately and hourly for time spent by drivers on rest breaks and on-duty not driving time; 2) failure to provide paid rest breaks and to pay premium wages for missed rest breaks; 3) failure to provide meal periods or compensation in lieu thereof; 4) failure to reimburse business expenses; all derivative claims, such as failure to timely pay wages due at termination; failure to provide accurate wage statements; and all like claims arising under federal, state, and local law, including but not limited to the California Labor Code; the UCL; PAGA; the California Industrial Welfare Commission Wage Orders; and all civil and statutory penalties arising from the foregoing, including, but not limited to those under the California Labor Code.

IDENTIFICATION AND DEFINITION OF THE CLASS

7. Class: The Parties agree and offer to stipulate that a single Settlement Class be approved by the Court, defined as follows:

All current and former California-resident truck drivers who were employed by Defendant at any time during the period from August 17, 2011, to the date of preliminary approval, or within six months of the Parties' June 14, 2016 mediation date, whichever is sooner.

The persons identified in this paragraph are "Class Members" and are collectively referred to as "the Class." As of June 14, 2016, there were estimated to be 1,841 members of the Class.

8. Settlement Class Period: The Settlement Class Period for the Class is from August 17, 2011 through the date of preliminary approval, or within six months of the Parties' June 14, 2016 mediation date, whichever is sooner ("Settlement Class Period").

9. Certification for Settlement Purposes Only: The Parties stipulate and agree to the certification of the Class for settlement purposes only. This Stipulation of Settlement will not

1 constitute, in this or any other proceeding, an admission of any kind by Defendant that certification
2 of a class is appropriate for purposes other than this settlement.

3 **TERMS OF THE SETTLEMENT**

4 10. All claims, damages, or causes of action alleged or that could have been
5 alleged based on the facts in the Complaint will be settled and compromised under the terms and
6 conditions in this Stipulation of Settlement, as approved by this Court.

7 11. This Settlement is non-reversionary but it includes the payment to Settlement
8 Class Members on a claims-made basis. All currently employed California-resident drivers, as of
9 preliminary approval will be identified and treated automatically as "Qualified Claimants" without
10 the need for them to submit a Claim Form. The Claims Administrator will distribute Claim Forms to
11 all formerly employed California-resident drivers and those who properly complete the Claim Form
12 (as described in Paragraphs 35 and 36) and return it to the Claims Administrator (as defined in
13 Paragraph 30) in a timely manner will also be deemed "Qualified Claimants." Formerly employed
14 California-resident drivers will become entitled to the Individual Settlement Payment only if they
15 have timely submitted their respective Claim Forms. The Settlement requires Defendant to make
16 payments to Qualified Claimants according to a specified formula based on the number of pay
17 periods worked.

18 12. The "Gross Settlement Amount" will mean Five Hundred Thousand Dollars
19 and No Cents (\$500,000.00), to be paid by Defendant under this Agreement and available to pay all
20 amounts provided for under this Agreement, including: (1) Class Counsel's fees and costs (up to 1/3
21 of the Gross Settlement Amount for attorneys' fees, plus up to an additional \$15,000 in litigation
22 costs); (2) an enhancement award to Plaintiff in the amount of Eight Thousand Dollars and No Cents
23 (\$8,000.00); (3) all fees and costs of administering the Settlement; (4) payment to the California
24 Labor Workforce Development Agency in the amount of Five Thousand Dollars and No Cents
25 (\$5,000.00); (5) the employee portion of payroll taxes; and (6) all Settlement Payments to Qualified
26 Claimants. Defendant will pay the employer-side portion of payroll taxes in addition to the Gross
27 Settlement Amount.

13. The "Net Settlement Amount" will be calculated by deducting from the Gross Settlement Amount of Five Hundred Thousand Dollars (\$500,000.00) the following sums: (1) Class Counsel's fees up to \$166,650.00, which is 33.33% of the Gross Settlement Amount, subject to Court approval; (2) past, present and future reasonable Class Counsel's litigation costs up to \$15,000.00, subject to Court approval; (3) an enhancement award to Plaintiff of \$8,000.00, subject to Court approval to be reported on an IRS Form 1099 basis; (4) a payment to the LWDA in association with the release of claims under California Labor Code, section 2698, et seq., in the amount of \$5,000.00; (5) the employee portion of payroll taxes; and (6) claims administration costs estimated not to exceed \$28,000.

14. The Gross Settlement Amount is premised on the understanding there are approximately 1,841 Class Members eligible to participate in the Settlement. If, by the date of Preliminary Approval, the total number of Class Members exceeds the original estimate by 15%, then Plaintiff in his discretion shall have the right to void this agreement, unless Defendant agrees to increase proportionally the payment for each person above the 15% additional amount of Class Members. Defendant agrees to provide counsel for Plaintiff with an updated list of members of the Settlement Class prior to the preliminary approval hearing date.

15. Defendant agrees to make payments to Qualified Claimants (as defined in Paragraph 11) out of the Net Settlement Amount, under terms of this Settlement (the "Settlement Class Member Payouts"). Settlement Class Member Payouts will be calculated based on the number of pay periods worked during the Settlement Class Period. Settlement Class Member Payouts from this Settlement will be calculated by the Claims Administrator and paid out set forth in Paragraphs 17 through 18.

16. To the extent that there are amounts allocated from the Gross Settlement Amount that are not awarded, claimed or used, such amounts will be distributed to the Qualified Claimants pro-rata based on the number of pay periods worked.

17. Settlement Payments: The Claims Administrator will calculate each Qualified Claimant's settlement amount ("Individual Settlement Payment") based upon the number of pay periods worked as follows:

- 1 (a) The number of pay periods of all Class Members (“Total Pay
2 Periods”).
3 (b) The Net Settlement Amount will be divided by the Total Pay Periods,
4 and the resulting number will be the “Pay Period Value.”
5 (c) Each Qualified Claimant’s number of pay periods worked will
6 multiplied by the Pay Period Value, and the resulting number will
7 equal each Class Member’s “Individual Settlement Payment.”

8 18. The Claims Administrator will apply the formula set forth here to determine
9 the Individual Settlement Payment of each Qualified Claimant, subject to Defendant providing the
10 Claims Administrator with the necessary data. The Parties acknowledge and agree the formula used
11 to calculate the number of pay periods and individual Settlement Payments does not imply that all of
12 the elements of damages alleged in the Action are not being taken into account. The above formula
13 was devised as a practical and logistical tool to simplify the distribution and claims process. The
14 Parties agree that, under no circumstances will Defendant be obligated to pay any amount under this
15 Agreement to any Class Member other than Qualified Claimants. Except in the event the total
16 number of Class members exceeds the original estimate by 15% or more, the Parties agree that in no
17 event shall Defendant be obligated to pay more than the Gross Settlement Amount in full settlement
18 of the Action, plus the employer-side portion of payroll taxes.

19 **TAXES AND FULL COMPENSATION**

20 19. Settlement Payments from the Net Settlement Amount will be designated as
21 payments for: (i) wages, (ii) penalties, and (iii) interest. In consultation, the Parties have determined
22 that each and all Settlement Class Member Payments will be allocated to each Qualified Claimants
23 as 33.33% wages, 33.33% penalties, and 33.33% interest.

24 20. Settlement Class Members are responsible to pay appropriate taxes due on the
25 Settlement Payments they receive. IRS Forms W2 and 1099 will be issued to each Settlement Class
26 Member reflecting the payments for wages, penalties and interest, respectively. All Settlement
27 Payments to Qualified Claimants will be deemed paid to such Settlement Class Members solely in
28 the year in which such payments are issued to the Settlement Class Members. Counsel does not

1 purport this communication to constitute tax or legal advice. If this Stipulation of Settlement, or any
2 of its attachments, is interpreted to contain or constitute advice regarding any U.S. Federal tax issue,
3 such advice is not intended or written to be used, and cannot be used, by any person to avoid
4 penalties under the Internal Revenue Code.

5 21. Defendant makes no representation on the tax treatment or legal effect of the
6 payments, and Plaintiff and Qualified Claimants are not relying on any statement, representation or
7 calculation by Defendant or by the Settlement Administrator. Plaintiff and Qualified Claimants
8 understand and agree they will be solely responsible for the payment of any taxes and penalties
9 assessed on their respective payments and will defend, indemnify, and hold Defendant free and
10 harmless against any claims resulting from treatment of such payments.

11 22. The Settlement Payments plus the employer-side portion of payroll taxes on
12 Qualified Claimants' Individual Settlement Payments provided for in this Agreement, are the sole
13 payments to be made by Defendant to the Settlement Class as the result of this litigation. The
14 Settlement Class will not be entitled to any additional compensation or benefits as a result of having
15 receiving amounts under this Settlement. For example, receipt of Settlement Payments will not
16 entitle any Settlement Class Member to additional compensation or benefits under any company
17 bonus, contest or other compensation or benefit plan or agreement in place during the Settlement
18 Class Period covered by the Settlement. Payments under the Settlement will not entitle a Settlement
19 Class Member to any increased retirement, 401(k) benefits or matching benefits, or other
20 compensation benefits. This provision will apply notwithstanding any contrary language or
21 agreement in any benefit or compensation plan document that might have been in effect during the
22 period covered by this Settlement.

23 23. Attorneys' Fees: In consideration for settling this matter and in exchange for
24 the release of all claims by the Settlement Class, and subject to final approval and/or modification by
25 the Court, Defendant agrees that Class Counsel may seek from the Gross Settlement Amount
26 attorneys' fees not to exceed \$166,650.00 (33.33% of the Gross Settlement Amount) and costs in
27 addition to the attorneys' fees not to exceed \$15,000. Class Counsel will apply for fees and costs at
28 the same time it submits to the Court a proposed final order and judgment of dismissal as discussed

1 in Paragraph 43 below. Defendant will not object to Class Counsel's application for attorneys' fees
2 in this amount. The attorneys' fees are to compensate Class Counsel for all the work already
3 performed in the Action, and all the work remaining to be performed in documenting the Settlement,
4 securing Court approval of the Settlement, making sure the Settlement is fairly administered and
5 implemented, obtaining dismissal of the Action with prejudice and representing the Class regarding
6 any objections and/or appeals from this Settlement, including any interest.

7 24. Costs: Subject to final Court approval, Defendant agrees that Class Counsel
8 may seek from the Maximum Settlement Amount past, present and future reasonable litigation costs
9 and expenses they incurred up to a maximum of \$15,000.00. Defendant will not object to Class
10 Counsel's application for costs and expenses in an amount not to exceed \$15,000.00.

11 25. The attorneys' fees and costs approved by the Court will be paid to Class
12 Counsel within thirty (30) calendar days following the Effective Date of this Settlement as set forth
13 in Paragraph 28. Any reduction in the amounts of fees or costs awarded by the Court will be
14 allocated to the Net Settlement Amount and will not result in a nullification of the Stipulation of
15 Settlement. If Class Counsel appeals any refusal by the Court to award fees and costs in the amounts
16 requested, payment to the Qualified Claimants will not be delayed.

17 26. Class Representative Service Payment: Subject to Court approval, Defendant
18 agrees Class Counsel may seek from the Gross Settlement Amount a service payment to Plaintiff in
19 an amount not to exceed Eight Thousand dollars (\$8,000.00) for her services as Class Representative
20 and her individual and complete release contained herein. Defendant will not object to Class
21 Counsel's application for a service payment to Plaintiff in this amount. This service payment, which
22 is in addition to Plaintiff's settlement share to which she is entitled with other Qualified Claimants,
23 will be deducted from the Gross Settlement Amount. The Claims Administrator will issue an IRS
24 Form 1099 for the service payment to Plaintiff for her services as Class Representative and her
25 general release of claims, and Plaintiff will be solely responsible for correctly characterizing this
26 payment for tax purposes and for paying any taxes due on the amount received. Plaintiff will
27 defend, indemnify, and hold Defendant free and harmless against any claims resulting from
28 treatment of her service payment. Plaintiff agrees to pay all taxes due on the service payment. The

1 Claims Administrator will submit the service payments approved by the Court to Plaintiff on the
2 same date Class Counsel is paid their attorneys' fees and costs.

3 27. Claims Administrator: The Parties agree that, subject to Court approval, the
4 reasonable costs of the Claims Administrator and notice and/or publication associated with the
5 administration of this Settlement, estimated not to exceed Twenty-Eight Thousand Dollars and Zero
6 Cents (\$28,000.00), will be paid from the Gross Settlement Amount. The Claims Administrator will
7 be CTP Group, Inc.

8 **SETTLEMENT PROCEDURE**

9 28. Effective Date: The settlement embodied in this Stipulation of Settlement will
10 become effective when all of these events have occurred: (i) this Stipulation of Settlement has been
11 executed by all Parties; (ii) the Court has given preliminary approval of this Stipulation of
12 Settlement and Release; (iii) notice has been given to the current and former California-resident
13 drivers as provided in this Settlement Agreement; (iv) the Court has entered a final order and
14 judgment certifying the Class for settlement purposes only, dismissing this class action case with
15 prejudice, and approving this Stipulation of Settlement; and (v) the later of these events: thirty (30)
16 days have elapsed following entry of the Court's final order approving the Settlement; or if any
17 appeal opposing this Settlement has been filed then when any appeal opposing this Settlement has
18 been dismissed finally and conclusively with no right to pursue further remedies or relief, or any
19 appeal has been resolved and upheld the Court's final order approving the Settlement with no right
20 to pursue further remedies or relief plus ten (10) days. It is the intention of the Parties that the
21 Settlement will not become effective until the Court's order approving the Settlement has become
22 final, and there is no further recourse by any appellant or objector who seeks to contest the
23 Settlement. Defendant will post the Settlement Funds with the Claims Administrator within 15 days
24 after the Effective Date.

25 29. Preliminary Approval: Within forty-five (45) days of execution of this
26 Stipulation of Settlement, the Parties will submit this Stipulation of Settlement to the Court in
27 support of Plaintiff's Motion for Preliminary Approval and determination by the Court as to its
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1 fairness, adequacy, and reasonableness and will apply to the Court for the entry of an order
2 substantially in the following form:

- 3 (a) Scheduling a final approval hearing on whether the proposed
4 Settlement, including payment of attorneys' fees and costs, and the
5 Plaintiff's service payments, should be finally approved as fair,
6 reasonable and adequate as to the members of the Settlement Class;
- 7 (b) Certifying the Class for settlement purposes only as described herein;
- 8 (c) Approving as to form and content the proposed Notice of Pendency of
9 Class Action and Proposed Settlement and Claim Form (for the former
10 drivers), substantially in the form attached as Exhibit "A";
- 11 (d) Establishing the procedures and the deadline by which formerly
12 employed California-resident drivers may submit a Claim Form;
- 13 (e) Establish the procedure and the deadline by which currently employed
14 California-resident drivers, and formerly employed California-resident
15 drivers may assert objections to, or opt-out of, the Settlement;
- 16 (f) Directing the mailing of the Notice of Pendency of Class Action and
17 Proposed Settlement and Claim Form by first class mail to the Class
18 Members on a date following the last date of the Settlement Class
19 Period;
- 20 (g) Preliminarily approving the Settlement as clarified herein subject only
21 to the objections of Settlement Class Members and final review by the
22 Court;
- 23 (h) Preliminarily approving costs of administration payable to the Claims
24 Administrator; and
- 25 (i) Enjoining Plaintiff and all Class Members from filing or prosecuting
26 any claims, suits or administrative proceedings (including filing claims
27 with the California Division of Labor Standards Enforcement)
28 regarding claims that would be released and discharged upon final

1 approval of the Settlement unless and until such Class Members have
2 submitted a valid request for exclusion to the Claims Administrator.
3 Any person who violates such injunction shall pay the costs and
4 attorney's fees incurred by any Released Party as a result of the
5 violation.

6 **CLAIMS ADMINISTRATION**

7 30. The Parties have agreed to and request that the Court appoint CPT Group, Inc.
8 as Claims Administrator for this Settlement.

9 31. Defendant will provide to the Claims Administrator data, which lists for each
10 Class Member the Class Member's name, last known address, employment dates during the
11 Settlement Class Period, Social Security Number, and data to determine the number of pay periods
12 worked by the Class Member. This data will be based on Defendant's payroll and available business
13 records in a format acceptable to the Claims Administrator.

14 32. The Claims Administrator will prepare, print and mail the Notice and the
15 Claim Form (for former drivers) to the Class Members; receive and review the Claim Forms
16 submitted by Class Members to determine eligibility for payment of any Settlement Class Member
17 Payouts and to determine the amount of such payments under the terms and provisions of this
18 Agreement; calculate and pay all payroll tax deductions to be withheld from gross Settlement Class
19 Member Payouts as required under this Agreement and applicable law; keep track of and maintain
20 an accurate record of requests for exclusion from the Class; provide weekly status reports to the
21 Parties' counsel; provide a due diligence declaration for submission to the Court prior to the final
22 approval hearing; mail Settlement Class Member Payout checks to Qualified Claimants; print and
23 provide Qualified Claimants and the Plaintiff with W-2 and 1099 forms as required under this
24 Agreement and applicable law; provide a due diligence declaration for submission to the Court upon
25 completing the Settlement; and will perform such other tasks as the Parties mutually agree or the
26 Court orders. The Parties each represent they have no financial interest in the Claims Administrator
27 or otherwise have a relationship with the Claims Administrator that could create a conflict of
28 interest.

33. Within approximately thirty (30) days following preliminary approval of the settlement, a "Notice of Pendency of Class Action and Proposed Settlement" ("Notice") and Claim Form, in approximately the form attached as Exhibit "A," and as approved by the Court, will be sent by the Claims Administrator to the Class Members, by first class mail. The Notice will include, non-exclusively, information regarding the nature of the Action; a summary of the substance of the Settlement; the Class definition; the date for the final approval hearing; the formula used for the Individual Settlement Payments; the ability to opt out of the settlement and the process for exclusion; and the ability to and process for objecting. The Notice will include the time period during which the Class Member worked during the Settlement Class Period, a statement of the number of pay periods the Class Member worked as stated in Defendant's records, and the Class Member's estimated Individual Settlement Payment. If the information in the Notice is disputed, the Class Member disputing the information may produce evidence to the Claims Administrator showing such other number of pay periods he or she contends should be shown on their Notice, through the dispute process described in Paragraph 36, below. Within ten (10) days following the preliminary approval of the settlement, Defendant shall provide notice of the settlement to all of the state officials and with all of the written materials required by CAFA's notice requirements, as set forth in 28 U.S.C. §1715.

34. Skip-trace for Returned Mail: If a new address is obtained by way of a returned Notice and Claim Form, then the Claims Administrator will promptly forward the original Notice and Claim Form to the updated address via first-class regular U.S. Mail indicating on the original Notice and Claim Form the date of such re-mailing. Where a Notice and Claim Form is returned as undeliverable, without a forwarding address, the Claims Administrator will perform a computer/SSN and "skiptrace" search to obtain an updated address. The Parties agree to cooperate with the Claims Administrator to locate a more recent address for Class Members where necessary. Any Notices and Claim Forms that are re-mailed to any Class Members due to a bad address or for forwarding will be identical to the original Notice and Claim Form, except that it will notify the Class Member that the Claim Form must be returned in thirty (30) days of the re-mailing, or, in no event, later than the expiration of the Claim Submission Period, as defined below.

1 35. Claims-Made Nature Of The Settlement: Except for currently employed
2 members of the class as of preliminary approval (who shall be Qualified Claimants automatically),
3 the Settlement will be on a claims-made basis, meaning that the Parties agree, covenant, and
4 represent that the Settlement Payments to be distributed of this Agreement will be distributed to
5 Qualified Claimants only. Currently employed California-resident drivers are Qualified Claimants.
6 Formerly employed California-resident drivers will be also be Qualified Claimants, entitled to
7 receive a Settlement Payment, only if the Class Member does all of the following: (i) completes the
8 Claim Form in its entirety; (ii) signs the Claim Form certifying that its contents are true and correct;
9 and (iii) returns the Claim Form postmarked on or before the expiration of the Claim Submission
10 Period. The "Claims Submission Period" will commence on the date Claim Forms are mailed to
11 Class Members and end forty-five (45) days later, on the deadline for submission of Claim Forms.
12 Formerly-employed California-resident drivers who do not properly or timely submit a Claim Form
13 within the Claim Submission Period will not be entitled to any portion of the Net Settlement
14 Amount. As indicated above, the Net Settlement Amount will be calculated after deducting
15 attorneys' fees and costs, claims administration costs, the enhancement award to Plaintiff, and
16 payment to the LWDA.

17 36. Claims Procedure:

18 (i) Upon receipt of any Claim Form within the Claim Submission Period,
19 the Settlement Administrator will review the Claim Form to verify the information contained therein,
20 to determine the eligibility of the person submitting the Claim Form to receive a Settlement Class
21 Member Payment, and to determine the net amount of the Settlement Payment to be made under this
22 Agreement. If a Claim Form is defective or incomplete, the Settlement Administrator will promptly
23 notify the Class Member of the defect or deficiency and permit the Class Member to cure the defect
24 by the end of the Claims Submission Period. Any Claim Form cured after the end of the Claims
25 Submission Period will not be effective; provided, however, that if the Settlement Administrator
26 determines that the defect or deficiency is immaterial, and the Settlement Administrator can still
27 process the claim, the Settlement Administrator may in its discretion accept the claim as a timely and
28 valid claim without sending a deficiency notice.

1 (ii) Any Class Member who is a former driver and who fails to submit a
2 timely, complete, and valid Claim Form will be barred from receiving any Settlement Payment under
3 this Agreement. The Settlement Administrator will not review or consider any Claim Form
4 postmarked after the end of the Claim Submission Period, nor will the Settlement Administrator
5 make any distribution regarding any Claim Form received after the end of the Claim Submission
6 Period. It will be conclusively presumed that, if a Claim Form is not postmarked on or before the
7 end of the Claim Submission Period, the Class Member did not return the Claim Form in a timely
8 manner. Under no circumstances will the Settlement Administrator have the authority to extend the
9 deadline for Class Members to file a Claim Form. The parties may agree through their Counsel,
10 however, in their sole and mutual discretion to accept late-filed Claim Forms, provided that they are
11 received by the administrator before the final approval hearing.

12 (iii) The Claim Form will include a procedure by which a Class Member
13 may challenge the number of pay periods identified on his/her Claim Form by submitting a written
14 challenge to the Settlement Administrator, along with the signed Claim Form, by the expiration of
15 the Claim Submission Period. A Class Member challenging the number of pay period(s) identified
16 on the Claim Form must also submit documentary evidence sufficient to prove the number of pay
17 periods worked during the Class Period. Defendant shall have the right to respond to the challenge
18 by any Class Member. The Parties will meet and confer to resolve mutually the challenge to the
19 number of pay periods or any other specifics raised by Qualified Claimants and make a final and
20 binding determination without hearing or right of appeal without hearing. To the extent the
21 challenges cannot be resolved, they will be submitted to the Court for determination at the Final
22 Hearing Date.

23 (iv) Within seven (7) days of the close of the Claim Submission Period, the
24 Settlement Administrator will provide Class Counsel and Defendant's counsel with a report listing
25 the number of Class Members who are Qualified Claimants, including *inter alia* the number of Class
26 Members who filed claims, opt out notices or objections and the total amount of all Settlement
27 Payments to be made to Claimants, and the average and maximum Settlement Payments. After
28

1 receiving the Settlement Administrator's report, Class Counsel and Defendant's counsel will jointly
2 review the same to determine if the calculation of payments to Claimants follows this Agreement.

3 37. Opt-Out Procedure: Unless a Class Member opts out of the Settlement
4 described in this Agreement, he/she will be bound by the terms and conditions of this Agreement,
5 and will also be bound by the Court's Order enjoining all Class Members from pursuing, or seeking
6 to reopen, any of the Settled Claims against the Released Parties, regardless of whether he or she
7 timely submits a timely Claim Form. A Class Member will not be entitled to opt out of the
8 Settlement established by this Agreement unless he or she does all of the following: (i) makes a
9 proper written request for exclusion from the Settlement; (ii) signs the opt-out request; and (iii)
10 returns the opt-out request so it is postmarked on or before the expiration of the Claim Submission
11 Period.

12 (i) Upon receipt of any opt-out request within the Claim Submission
13 Period, the Settlement Administrator will review the request to verify the information contained
14 therein, and to confirm that the request complies with the requirements of this Agreement. The
15 Settlement Administrator will also review its records to determine whether the Class Member
16 submitted a Claim Form. If a Class Member submits both a Claim Form and opt-out request, the
17 Claim Form will be valid, and the opt-out request rejected.

18 (ii) Any Class Member who fails to submit a timely, complete and valid
19 request to opt out of the Settlement will be barred from opting out of this Agreement or the
20 Settlement. The Settlement Administrator will not review or consider any opt-out request
21 postmarked after the end of the Claim Submission Period. It will be conclusively presumed that, if
22 an opt-out request is not postmarked on or before the end of the Claim Submission Period, the Class
23 Member did not make the request in a timely manner. A declaration submitted by any Class
24 Member attesting to the mailing of an opt-out request on or before the expiration of the Claim
25 Submission Period will be insufficient to overcome the conclusive presumption that the Claim Form
26 was not postmarked on or before the expiration of the Claim Submission Period. Under no
27 circumstances will the Settlement Administrator have the authority to extend the deadline for Class
28 Members to file a request to opt out of the Settlement.

1 38. Objections To The Settlement: Any Settlement Class Member may object to
2 the Settlement. Any such objection must be submitted to the Claims Administrator on or before the
3 Claim Submission Period and served on all counsel by the Claim Administrator on, before or
4 shortly following the close of the Claim Submission Period. Otherwise, such objection will
5 conclusively be deemed waived, and the Settlement Class Member will be barred from asserting any
6 objection.

7 39. Objections: Any Class Member who has not submitted a request for exclusion
8 may object to the Stipulation of Settlement, or any portion thereof, by submitting a written objection,
9 and supporting papers, if any, and mailing them to the Claims Administrator at the address set forth
10 in the Notice of Pendency of Class Action and Proposed Settlement and Defendant's Counsel and
11 Class Counsel. To be timely, all objections must be postmarked by the close of the Claim
12 Submission Period. Otherwise, such objection will conclusively be deemed waived, and the
13 Settlement Class Member will be barred from asserting any objection. A written objection must
14 contain the objecting person's full name, current address, and include all objections and the reasons
15 therefore, and include any and all supporting papers (including, without limitation, all briefs, written
16 evidence, and declarations). In addition, Class Members may appear in person at any hearing on
17 final approval to voice their objections to the Settlement. A Class Member who desires to object but
18 who fails to comply with the objection procedure set forth herein will be deemed not to have
19 objected. The Claims Administrator will send all objections and requests for exclusion by .pdf to
20 counsel for Defendant and Class Counsel within 24 hours of receipt. If a Class Member wishes to
21 appear at the Final Approval Hearing and present his or her objection to the Court orally, he or she
22 may do so. Any Class Member who files an objection remains eligible to receive monetary
23 compensation from the Settlement. The Parties will not be responsible for any fees, costs, or
24 expenses incurred by any Class Member and/or his or her counsel related to any objections to the
25 Settlement and/or appeals arising therefrom.

26 40. If a Class Member first requests exclusion from, and opts out of, the
27 Settlement and then objects, the objections will not be valid. A Class Member that objects and then
28 requests exclusion from, and opts out of the Settlement, will be deemed to have waived their

1 objection. If a Class Member submits both a Claim Form and a request for exclusion or objection,
2 only the Claim Form will be valid.

3 41. All Class Members who have not submitted a request for exclusion will be
4 deemed to be within the Class for all purposes under this Stipulation of Settlement, and will be
5 bound by the terms and conditions of this Stipulation of Settlement, and all orders issued pursuant
6 thereto, and will be deemed to have waived all unstated objections and opposition to the fairness,
7 reasonableness, and adequacy of this Stipulation of Settlement.

8 **FINAL APPROVAL**

9 42. Following the close of the Claims Submission Period, and at least fourteen
10 (14) court days prior to the final approval hearing, Class Counsel will provide to the Court a
11 declaration by the Claims Administrator of due diligence and proof of mailing regarding the mailing
12 of the Notice of Pendency of Class Action and Proposed Settlement and Claim Form. Upon
13 completion of these steps by the Claims Administrator, and final approval of the Settlement by the
14 Court, and upon confirmation that all CAFA notice requirements have been satisfied (which shall
15 occur at least 90 days before the final approval hearing), Defendant will be deemed to have satisfied
16 its obligation to provide the Notice of Pendency of Class Action and Settlement to the affected
17 member of the Settlement Class.

18 43. Prior to the final approval hearing, Class Counsel will prepare and, after
19 review and approval by Defendant, submit to the Court a proposed final order and judgment of
20 dismissal:

- 21 (i) Approving the Settlement, adjudging the terms thereof to be fair,
22 reasonable and adequate, and directing consummation of its terms and provisions;
23 (ii) Approving Class Counsel's application for an award of attorneys' fees
24 and reimbursement of costs, including the claims administrator's fees;
25 (iii) Approving the enhancement award to the Plaintiff;
26 (iv) Approving the payment to the LWDA for the PAGA portion of the
27 Settlement; and
28

(v) Dismissing this action on the merits and with prejudice and permanently barring and enjoining all members of the Settlement Class from prosecuting against the Parties released in this Settlement any individual or class or collective claims released under Paragraphs 49 through 53, upon satisfaction of all payments and obligations in this Settlement.

44. If the Court does not grant final approval of the Settlement, or if the Court's final approval of the Settlement is reversed or materially modified on appeal, then this Settlement will become null and void and of no further force and effect, and all negotiations, proceedings, and statements relating thereto will be without prejudice as to the rights of any and all parties and their respective predecessors and successors, and such parties will be deemed to have reverted to their respective positions in this Action as of the date and time immediately prior to the execution of this Agreement, and except as otherwise expressly provided, the effect will be the same as if the Agreement was terminated under Paragraph 45 below.

45. In the event that (a) the Court declines to enter the Preliminary Approval Order or to enter the Judgment or any part thereof as provided for herein; or (b) any material conditions to the Settlement are not satisfied; or (c) the Court disapproves this Settlement in its entirety, or any material term in this Settlement, including any amendments thereto, and such disapproval becomes final by reason of its affirmance on appeal or lapse of time or otherwise; or (d) the Court approves this Settlement, including any amendments, but any such judgment and approval is finally reversed on appeal, this Settlement will be void and the Preliminary Approval Order and the Final Approval Order and Judgment will be vacated upon application to the Court. In such event, (a) this Settlement (except for Paragraph 59) will be terminated and become void and of no effect; (b) any actions taken or to be taken in connection with this Settlement and the settlement terms will become null and void and of no effect; (c) this Settlement and the settlement terms and any hearings or proceedings will not be referred to or used as evidence for or against any Party or Class Member in this or any other action or proceeding; and (d) all proceedings, including discovery, will resume 45 days thereafter as if this Settlement had not been proposed for approval of the Court. If this Stipulation of Settlement is not finally approved, or the Stipulation of Settlement is otherwise terminated or rendered null and void, the certification of the Class will be automatically vacated. In

1 such circumstances, Defendant reserve all rights to challenge certification of a class for all purposes
2 in the Action on all available grounds as if no class had been certified. If any monies for attorneys'
3 fees, costs, and expenses have been paid to Class Counsel or any monies for a class representative
4 service payment have been paid to Plaintiff, Class Counsel agree to return immediately such monies
5 within ten (10) business days.

6 46. If the Court issues a Final Approval Order, this Settlement Agreement will
7 operate as a full, complete, and final release of all the Released Claims of Plaintiff, all Class
8 Members and all Releasing Parties.

9 47. Upon receipt of funds from Defendant, the Claims Administrator will issue
10 and send out settlement checks to Qualified Claimants. All disputes relating to the Claims
11 Administrator's performance of its duties will be referred to the Court, if necessary, which will have
12 continuing jurisdiction over the terms and conditions of this Stipulation of Settlement until all
13 payments and obligations contemplated by this Stipulation of Settlement have been fully carried out.

14 48. Payments to Qualified Claimants will be mailed by the Claims Administrator
15 within twenty (20) calendar days after the Effective Date. Settlement checks will remain valid and
16 negotiable for one hundred and eighty (180) days from the date of their issuance and will
17 automatically be cancelled by Defendant or the Claims Administrator if not cashed by the Qualified
18 Claimants within that time. Any Qualified Claimants who does not cash his/her check within 150
19 days will be sent a letter advising them they have approximately 30 days left to cash their check. If
20 any Qualified Claimants' check is not cashed within that 180 day period, the amount of the un-
21 cashed checks will be deposited with the Department of Industrial Relations Unpaid Wages Fund in
22 California in the name of the Qualified Claimant who failed to cash his or her check. Upon
23 completion of its calculation of payments, the Claims Administrator will provide Plaintiff and
24 Defendant with a report listing the amount of all payments to be made to each Qualified Claimant.

25 **RELEASE BY THE CLASS**

26 49. This Stipulation of Settlement includes a complete settlement and release of
27 all claims arising from the Action, which were raised or which could have been raised in the Action
28 and/or the claims identified in Paragraph 6, above. The released parties include: (a) all of
20.

1 Defendant's present and former parent companies, subsidiaries, related or affiliated companies; (b)
2 Defendant's divisions, and (c) the present and former officers, directors, members, managers,
3 shareholders, agents, insurers, operators, partners, joint ventures, franchisees, franchisors,
4 consultants, attorneys, successors or assignees (the "Released Parties").

5 50. Upon the final approval by the Court of this Stipulation of Settlement, and
6 except as to such rights or claims as may be created by this Stipulation of Settlement, Plaintiff, on
7 her own behalf and as the Class Representative, all members of the Settlement Class and all persons
8 purporting to act on their behalf or purporting to assert a claim under or through them, including, but
9 not limited to, their dependents, heirs and assigns, beneficiaries, devisees, legatees, executors,
10 administrators, trustees, conservators, guardians, personal representatives, and successors-in-interest,
11 as well as each member of the Class who has not submitted a valid request for exclusion under
12 Paragraph 37 above (collectively, "Releasing Parties"), fully release and discharge Released Parties
13 from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, interest,
14 attorneys' fees, damages, action or causes of action under California state law that were raised or
15 could have been raised in the Action arising out of the conduct alleged in the Complaint, including
16 all claims for failure to pay separately and hourly for on-duty not driving time, unpaid rest breaks,
17 rest break premiums, unpaid meal breaks, meal break premiums, failure to reimburse business
18 expenses, and derivative claims that arise under federal, state, and local law, including but not
19 limited to the California Labor Code; the UCL; PAGA; the California Industrial Welfare
20 Commission Wage Orders; and all applicable civil and statutory penalties arising from the foregoing,
21 including, but not limited to those under the California Labor Code. In addition, each member of the
22 Class who does not submit a valid request for exclusion forever agrees that he or she will not
23 institute any action, nor accept back liquidated damages, punitive damages, penalties of any nature,
24 attorneys' fees and costs, or any other relief from any other suit, class or collective action,
25 administrative claim or other claim of any sort or nature whatsoever against Defendant, for the
26 Settlement Class Period for the claims being released herein.

27 51. The back of each check issued to the Qualified Claimants will state as follows
28 and provide the California Civil Code section 1542 waiver in Paragraph 52 below: "My signature

21.

JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE

1 constitutes a full and complete release by me of the Defendant Covenant Transport, Inc. and their
2 present and former parent companies, subsidiaries, related or affiliated companies, present and
3 former officers, directors, members, managers, shareholders, agents insurers, operators, partners,
4 joint ventures, franchisees, franchisors, consultants, attorneys, and successors or assignees, or any of
5 them, for all claims alleged in the Long v. Covenant Transport, Inc., Case Number 1:15-CV-278
6 against Covenant Transport, Inc. or their predecessor and successor companies, including claims for
7 unpaid wages or premiums, including interest, attorneys' fees and costs, punitive damages or civil
8 penalties under state law for employment in California, for any period in the Settlement Class
9 Period" ("Released Claims").

10 **WAIVER OF CALIFORNIA CIVIL CODE SECTION 1542**

11 52. Plaintiff acknowledges that she may have claims that are presently unknown
12 and that the release contained in this Settlement Agreement is intended to and will fully, finally, and
13 forever discharge all Released Claims, whether now asserted or unasserted, known or unknown,
14 suspected or unsuspected, which now exist, or heretofore existed or may hereafter exist, which if
15 known, might have affected her decision to enter into this release. Plaintiff will be deemed to waive
16 any and all provisions, rights, and benefits conferred by any law of the State of California, any law
17 of the United States, any other state or territory of the United States, principle of common law or
18 equity, which governs or limits a person's release of unknown claims regarding the Released Claims.
19 In making this waiver, Plaintiff understands and acknowledges that she may discover facts in
20 addition to or different from those that are currently known or believed to be true regarding the
21 subject matter of this release, but agrees that it is her intention to fully, finally, and forever settle and
22 release any and all Released Claims, known or unknown, suspected or unsuspected, which now
23 exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery or
24 existence of such additional or different facts. The foregoing waiver includes an express waiver, to
25 the fullest extent permitted by law, by Plaintiff of any and all rights under California Civil Code
26 section 1542. California Civil Code section 1542, which is expressly waived herein, provides:

27 "A general release does not extend to claims which the creditor does
28 not know or suspect to exist in his or her favor at the time of executing
the release, which if known by him or her must have materially

22.

1 affected his or her settlement with the debtor.”

2 53. Class Members acknowledge that they each may have claims that are
3 presently unknown and that the release contained in this Settlement Agreement is intended to and
4 will fully, finally, and forever discharge all Released Claims, whether now asserted or unasserted,
5 known or unknown, suspected or unsuspected, which now exist, or heretofore existed or may
6 hereafter exist, which if known, might have affected their decision to enter into this release based on
7 the facts alleged in the Complaint in the Action. Class Members will be deemed to waive any and
8 all provisions, rights, and benefits conferred by any law of the State of California, any law of the
9 United States, any other state or territory of the United States, principle of common law or equity,
10 which governs or limits a person’s release of unknown claims regarding the Released Claims. In
11 making this waiver the Class Members understand and acknowledge that they may discover facts in
12 addition to or different from those that are currently known or believed to be true regarding the
13 subject matter of this release, but agree that it is their intention to fully, finally, and forever settle and
14 release any and all Released Claims, known or unknown, suspected or unsuspected, which now
15 exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery or
16 existence of such additional or different facts. The foregoing waiver includes an express waiver, to
17 the fullest extent permitted by law all Class Members of any and all rights under California Civil
18 Code section 1542 with respect to the claims alleged in the Complaint in the Action. California
19 Civil Code section 1542, which is expressly waived herein, provides:

20 “A general release does not extend to claims which the creditor does
21 not know or suspect to exist in his or her favor at the time of executing
22 the release, which if known by him or her must have materially
23 affected his or her settlement with the debtor.”

24 54. In addition to the Released Claims set forth above, Plaintiff additionally
25 releases all claims related to her employment with Defendant, including, but not limited to, all
26 claims related to her employment, conditions of employment, any claims for breach of contract,
27 breach of the covenant of good faith and fair dealing, wrongful termination, retaliation, harassment,
28 violation of public policy, constructive discharge, whistle blowing, negligent or intentional infliction
of emotional distress, interference with prospective economic advantage or contractual relations,

1 unfair business practices, unfair competition, premises liability or other tort or personal injury and
2 arising under any federal, state or local law, statute, ordinance, rule or regulation or Executive Order
3 relating to employment, employment discrimination, employee benefit plans, including but not
4 limited to Title VII of the Civil Rights Act of 1964, as amended, the Civil Rights Act of 1866, as
5 amended, the Civil Rights Act of 1991, as amended, the Age Discrimination in Employment Act of
6 1967, as amended, the Americans with Disabilities Act, the Fair Labor Standards Act, the Equal Pay
7 Act, the Employee Retirement Income Security Act of 1974, the Consolidated Omnibus Budget
8 Reconciliation Act of 1985, the California Fair Employment and Housing Act, the California Family
9 Rights Act, the California Business and Professions Code, the California Civil Code, the California
10 Commercial Code and the California Labor Code.

11 **PARTIES' AUTHORITY**

12 55. The signatories represent that they are fully authorized to enter into this
13 Stipulation of Settlement and bind the Parties to the terms and conditions thereof.

14 **MUTUAL FULL COOPERATION**

15 56. The Parties agree to fully cooperate with each other to accomplish the terms
16 of this Stipulation of Settlement, including but not limited to, execution of such documents and
17 taking such other action as reasonably may be necessary to implement the terms of this Stipulation
18 of Settlement. The Parties to this Stipulation of Settlement will use their best efforts, including all
19 efforts contemplated by this Stipulation of Settlement and any other efforts that may become
20 necessary by order of the Court, or otherwise, to effectuate this Stipulation of Settlement and the
21 terms set forth herein. As soon as practicable after execution of this Stipulation of Settlement, Class
22 Counsel will, with the assistance and cooperation of Defendant and its counsel, take all necessary
23 steps to secure the Court's final approval of this Stipulation of Settlement.

24 57. Defendant and their counsel agree that they will not attempt to encourage
25 Class Members to file a request for exclusion. It is understood, however, that Class Counsel may
26 provide legal advice and counsel to Class Members who seek such advice from Class Counsel.
27
28

1 **NO PRIOR ASSIGNMENTS**

2 58. The Parties and their counsel represent, covenant, and warrant they have not
3 directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or
4 encumber to any person or entity any portion of any liability, claim, demand, action, cause of action
5 or rights released and discharged except as set forth herein.

6 **NO ADMISSION**

7 59. Nothing contained herein, nor the consummation of this Stipulation of
8 Settlement, is to be construed or deemed an admission of liability, culpability, negligence, or
9 wrongdoing on the part of Defendant. All Parties hereto have entered into this Stipulation of
10 Settlement solely with the intention to avoid further disputes and litigation with the attendant
11 inconvenience and expense.

12 **ENFORCEMENT ACTIONS**

13 60. If Defendant or Plaintiff, the signatories to this Stipulation of Settlement,
14 institute a legal action or other proceeding against any other Party or Parties to enforce the
15 provisions of this Stipulation of Settlement or to declare rights and/or obligations under this
16 Stipulation of Settlement, the successful Party or Parties may be entitled to recover from the
17 unsuccessful Party or Parties reasonable attorneys' fees and costs at the Court's discretion, including
18 expert witness fees incurred in connection with any enforcement actions. This provision will not
19 apply to any legal action or other proceeding instituted by any person or entity other than Plaintiff or
20 Defendant.

21 **NOTICES**

22 61. Unless otherwise specifically provided, all notices, demands or other
23 communications given will be in writing and will be deemed to have been duly given by the third
24 business day after mailing by United States registered or certified mail, return receipt requested,
25 addressed as follows:

26 To Plaintiffs and the Class:

27 Craig J. Ackermann
28 Ackermann & Tilajef
1180 South Beverly Drive, Suite 610

25.

1 Los Angeles, CA 90035

2 Jonathan Melmed
3 Melmed Law Group, P.C.
4 1180 South Beverly Drive, Suite 610
5 Los Angeles, CA 90035

6 To Defendant:

7 Richard H. Rahm
8 Kai-Ching Cha
9 Perry K. Miska, Jr.
10 LITTLER MENDELSON, P.C.
11 333 Bush Street
12 34th Floor
13 San Francisco, CA 94104

14 CONSTRUCTION

15 62. The Parties agree that the terms and conditions of this Stipulation of
16 Settlement are the result of lengthy, intensive, arms-length negotiations between the Parties, and this
17 Stipulation of Settlement will not be construed in favor of or against any Party by reason of the
18 extent to which any Party or his, her or its counsel participated in the drafting of this Stipulation of
19 Settlement.

20 CAPTIONS AND INTERPRETATIONS

21 63. Paragraph titles or captions contained herein are inserted as a matter of
22 convenience and for reference, and in no way define, limit, extend, or describe the scope of this
23 Stipulation of Settlement or any provision hereof. Each term of this Stipulation of Settlement is
24 contractual and not merely a recital.

25 MODIFICATION

26 64. This Stipulation of Settlement may not be changed, altered, or modified,
27 except in writing and signed by the Parties, and approved by the Court. This Stipulation of
28 Settlement may not be discharged except by performance under its terms or by a writing signed by
the Parties. Notwithstanding the foregoing, if the Court, as a condition of granting preliminary
approval, requires certain modifications to this Agreement or the Class Notice or Claim Form,
counsel for the Parties are authorized to enter into a Stipulation consistent with the Court's

1 requirements to modify this Agreement without having to obtain signatures from the Parties
2 themselves, provided that the modifications are consistent with the Court's order and the Parties
3 have indicated agreement in writing to their Counsel to those modifications.

4 **INTEGRATION CLAUSE**

5 65. This Stipulation of Settlement contains the entire agreement between the
6 Parties relating to the settlement and transaction contemplated hereby, and upon its full execution by
7 the Parties all prior or contemporaneous agreements, understandings, representations, and
8 statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged
9 herein. No rights hereunder may be waived except in writing.

10 **BINDING ON ASSIGNS**

11 66. This Stipulation of Settlement will be binding upon and inure to the benefit of
12 the Parties and their respective heirs, trustees, executors, administrators, successors and assigns.

13 **SIGNATORIES**

14 67. It is agreed that because the members of the Class are so numerous, it is
15 impossible or impractical to have each member of the Class execute this Stipulation of Settlement.
16 The Notice of Pendency of Class Action and Proposed Settlement and Claim Form, attached as
17 Exhibit "A" hereto, will advise all Class Members of the binding nature of the release, and the
18 release will have the same force and effect as if this Stipulation of Settlement were executed by each
19 member of the Class.

20 **PUBLIC COMMENT**

21 68. Plaintiff and Defendant, and their respective counsel, recognize and accept
22 that the Parties desire that the terms of this Stipulation, the fact of the settlement embodied in this
23 Stipulation, the disposition of the Action, and all matters relating to the litigation of the Action,
24 including discovery and mediation proceedings therein, and evidence obtained during this Action or
25 any Related Cases, will not be discussed with or presented to the media. Accordingly, Plaintiff and
26 Class Counsel will not initiate or have any communications at all with the media, other than to direct
27 the media to the public records of the Settlement on file with the Court, or post any advertisements
28

1 or marketing information seeking other clients to represent in other lawsuits against Defendant,
2 including on websites, regarding this Settlement and its terms.

3 69. Notwithstanding the above Paragraph, Defendant agrees Class Counsel may
4 represent to the Court that in part because of this Action, Defendant is in the process of changing its
5 compensation practices to separately compensate California-resident drivers for rest breaks and on-
6 duty not driving time.

7 COUNTERPARTS

8 70. This Stipulation of Settlement may be executed in counterparts, and when
9 each Party has signed and delivered at least one such counterpart, each counterpart will be deemed
10 an original, and, when taken together with other signed counterparts, will constitute one Stipulation
11 of Settlement, which will be binding upon and effective on all Parties.

12
13 TAMI LONG

14 Dated: 7-29-18

Tami Long
15 Plaintiff TAMI LONG

16
17 COVENANT TRANSPORT, INC.

18
19 Dated: _____

20
21 Please Print Name of Authorized Signatory
22
23
24
25
26
27
28

LITTLER MENDELSON, P.C.
333 River Street
5th Floor
San Francisco, CA 94101
415.433.1000

28.

JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE

1 or marketing information seeking other clients to represent in other lawsuits against Defendant,
2 including on websites, regarding this Settlement and its terms.

3 69. Notwithstanding the above Paragraph, Defendant agrees Class Counsel may
4 represent to the Court that in part because of this Action, Defendant is in the process of changing its
5 compensation practices to separately compensate California-resident drivers for rest breaks and on-
6 duty not driving time.

7 **COUNTERPARTS**

8 70. This Stipulation of Settlement may be executed in counterparts, and when
9 each Party has signed and delivered at least one such counterpart, each counterpart will be deemed
10 an original, and, when taken together with other signed counterparts, will constitute one Stipulation
11 of Settlement, which will be binding upon and effective on all Parties.

12
13 **TAMI LONG**

14 Dated: _____

15 Plaintiff TAMI LONG

16
17 **COVENANT TRANSPORT, INC.**

18
19 Dated: 8/31/16

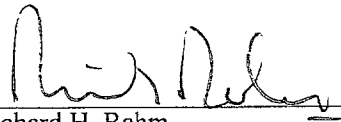
R.H. Fournier Jr.

R.H. Lovin, Jr.

Please Print Name of Authorized Signatory

APPROVED AS TO FORM

Dated: August 31, 2016



Richard H. Rahm
Kai-Ching Cha
Perry K. Miska, Jr.
LITTLER MENDELSON, P.C.

Attorneys for Defendant
COVENANT TRANSPORT, INC.

Dated: August __, 2016

Craig J. Ackermann
ACKERMANN & TILAJEF

Attorneys for Plaintiff
TAMI LONG

Dated: August __, 2016

Jonathan Melmed,
MELMED LAW GROUP, P.C.,

Attorneys for Plaintiff
TAMI LONG

Firmwide: 140998612.3 069683.1004

APPROVED AS TO FORM

Dated: August __, 2016

Richard H. Rahm
Kai-Ching Cha
Perry K. Miska, Jr.
LITTLER MENDELSON, P.C.

Attorneys for Defendant
COVENANT TRANSPORT, INC.

Dated: August 31, 2016



Craig J. Ackermann
ACKERMANN & TILAJEF

Attorneys for Plaintiff
TAMI LONG

Dated: August __, 2016



Jonathan Melmed,
MELMED LAW GROUP, P.C.,

Attorneys for Plaintiff
TAMI LONG

Firmwide: 140998612.3 069683.1004

EXHIBIT A

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TENNESSEE
CHATTANOOGA DIVISION**

TAMI LONG, individually and on behalf of all others
similarly situated,

Plaintiff,

v.

COVENANT TRANSPORT, INC., a Tennessee
corporation,

Defendant.

Case No. 1:15-cv-00278-TRM-SKL

**NOTICE OF PENDENCY OF CLASS
ACTION AND PROPOSED SETTLEMENT;
HEARING DATE FOR FINAL COURT
APPROVAL OF SETTLEMENT**

Judge: Hon. Travis R. McDonough

Courtroom: 1A

TO: ALL CURRENT AND FORMER CALIFORNIA-RESIDENT TRUCK DRIVERS EMPLOYED BY COVENANT TRANSPORT, INC. ("COVENANT" OR "DEFENDANT") WHO WERE PAID ON A PIECE-RATE FORMULA CONSISTING OF A "PER-MILE" AMOUNT AND WHO WERE EMPLOYED BY COVENANT DURING THE CLASS PERIOD AT ANY TIME DURING THE PERIOD FROM AUGUST 17, 2011 TO [DATE OF PRELIMINARY APPROVAL]:

PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF CLASS ACTION LITIGATION. IF YOU ARE A CLASS MEMBER, IT CONTAINS IMPORTANT INFORMATION AS TO YOUR RIGHT TO MAKE A CLAIM FOR PAYMENT OR TO ELECT NOT TO BE INCLUDED IN THE CLASS AS FURTHER DESCRIBED BELOW. THIS NOTICE REQUIRES THAT YOU SUBMIT A CLAIM FORM OR A REQUEST FOR EXCLUSION ON OR BEFORE [45 CALENDAR DAYS FROM THE DATE OF MAILING], IF YOU WISH EITHER TO RECEIVE PAYMENT FOR YOUR SHARE OF THE CLASS SETTLEMENT OR TO BE EXCLUDED FROM THE CLASS SETTLEMENT.

Pursuant to the order of the United States District Court, Eastern District of Tennessee, Chattanooga Division entered on [Date], you are hereby notified that a settlement has been reached between the parties in *Tami Long, et. al., v. Covenant Transport, Inc.* concerning claims asserted in the Complaint ("*Long Action*"). The Plaintiff in the *Long Action* proposes to represent a class of California-resident truck drivers who were paid on a piece-rate formula consisting of a "per-mile" amount and who were employed by Covenant at any point during the period between August 17, 2011 and [date of preliminary approval] ("the Covenant Settlement Class"). This Notice is being sent to you because Covenant's records indicate that you are potentially a member of the Settlement Class. If this information is inaccurate, and you are not a member of the Settlement Class, you may disregard this Notice. However, if this information is accurate, this Notice is designed to advise you of how you can participate in this settlement, be excluded from it, or object to it.

1. BACKGROUND OF THE CASE

A former employee of Covenant is Plaintiff and Class Representative in a class action ("Plaintiff" or "Class Representative") that was filed in the Superior Court of California, County of Los Angeles, on August 17, 2015, whereby she represents both herself and all similarly situated individuals employed by Covenant since August 17, 2011 (the "*Long Action*"). On September 17, 2015, the case was removed to the United States District Court for the Central District of California. The case was then transferred to the United States District Court for the Eastern District of Tennessee, Chattanooga Division on October 6, 2015. Plaintiff and Covenant will be collectively referred to throughout this Notice as the "Parties."

NOTICE OF PROPOSED SETTLEMENT AND HEARING DATE FOR COURT APPROVAL

The Plaintiff in the *Long* Action alleges causes of action against Covenant under the California Labor Code, the California Business and Professions Code, and the California Private Attorneys General Act ("PAGA"), for failure to pay separately and hourly for time spent by drivers on rest breaks and on-duty not driving time, failure to provide paid rest periods and pay missed rest break premiums, failure to provide meal periods, failure to pay missed meal break premiums, failure to provide accurate wage statements, failure to pay final wages when due at termination, waiting time penalties, and failure to reimburse business expenses. The *Long* Action Plaintiff seeks payment of unpaid wages, injunctive relief, penalties, restitution, interest, costs and attorneys' fees. Covenant denies all of Plaintiff's claims and has raised various factual and legal defenses to those claims, and has agreed to the proposed settlement without any admission of wrongdoing.

The Court has not made a determination about the validity of any of the Parties' claims. This Notice is not to be understood as an expression of any opinion by the Court as to the merits of the claims or defenses asserted by either side. There have been ongoing investigations and substantial exchanges of information. As a result of settlement discussions, the Parties reached a class settlement.

The Parties have entered into a settlement agreement, which has been given preliminary approval by the Court. The "Settlement Class" is defined as follows:

All current and former California-resident truck drivers who were paid on a piece-rate formula consisting of a per-mile amount and who were employed by Defendant at any time during the period from August 17, 2011, to the date of preliminary approval, or within six months of the Parties' June 14, 2016 mediation date, whichever is sooner.

Members of the Settlement Class may also be referred to herein as "Class Members."

If you are part of the Settlement Class as defined above, you have the opportunity to participate in the settlement, as set forth below.

2. SUMMARY OF THE PROPOSED SETTLEMENT

The Class Representative and her attorneys ("Class Counsel") support this settlement. Among the reasons given for support are the defenses to liability potentially available to Covenant, the inherent risk of a trial on the merits, and the costs and delays associated with litigation.

Under the terms of the settlement Covenant has agreed to pay \$500,000.00 ("Settlement Amount") to settle the claims asserted in the *Long* Action. The Settlement Amount includes all settlement payments to the Qualified Claimants (*i.e.*, Class Members who decide to participate in the settlement, as explained below), the employee portion of payroll taxes (such as FICA, and any other state and local taxes) on payments attributed to wages, the enhancement award to named Plaintiff, and the payment to the California Labor and Workforce Development Agency ("LWDA") for civil penalties. Also included in the Settlement Amount are all fees and costs to the claims administrator, as well as all Plaintiff's attorneys' fees and costs. The Net Settlement Amount is the amount available for distribution to the Qualified Claimants after the following deductions have been made from the Settlement Amount: (1) Class Counsel's fees up to \$166,650.00, which is 33.33% of the Gross Settlement Amount, subject to Court approval; (2) past, present and future reasonable Class Counsel's litigation costs up to \$15,000.00, subject to Court approval; (3) an enhancement award to Plaintiff of \$8,000.00, subject to Court approval; (4) a payment to the California Labor Workforce Development Agency ("LWDA") in association with the release of claims under California Labor Code, section 2698, *et seq.*, in the amount of \$5,000.00; (5) the employee portion of payroll taxes; and (6) claims administration costs estimated not to exceed \$28,000.00.

- a. **PAYMENTS TO QUALIFIED CLAIMANTS.** Payments shall be made to Class Members who are either currently employed, or for the formerly employed drivers, who properly complete the Claim Form accompanying this Notice, sign and date it and return it to the Claims Administrator in a timely manner ("Qualified Claimants"). Payments to Qualified Claimants will be paid from the Net Settlement Amount. The value of each Qualified Claimant's claim will be determined based on the number of Qualifying Pay Periods of the Class Member. "Qualifying Pay Periods" means the number of pay periods that each Class Member worked during his/her employment with

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Covenant as a Class Member during the class period (August 17, 2011 through [date of preliminary approval]). The Net Settlement Amount will be divided by the total number of Qualifying Pay Periods for all Qualified Claimants. The result of this division is referred to as the "Pay Period Value." The amount of recovery that each Qualified Claimant will receive is derived by multiplying that Qualified Claimant's number of Qualifying Pay Periods by the Pay Period Value ("Individual Settlement Payment").

- b. **TAX TREATMENT.** Settlement Awards for each Qualified Claimant will be allocated as follows: One-third (1/3) of each Settlement Award will be allocated as unpaid wages for which W-2 forms shall issue and the remaining amount shall be allocated as penalties (one-third (1/3)) and unpaid interest (one-third (1/3)) for which 1099-MISC forms will issue, if required. The Parties agree that all Class Members who receive any Individual Settlement Payment will be solely responsible for any and all tax obligations associated with such receipt. The Parties agree that Covenant shall be responsible for employer-side payroll taxes owing on such payments, which shall be paid in addition to the Settlement Amount.
- c. **CLASS COUNSEL FEES & COSTS.** The Parties further agree that, subject to Court approval, the law firms of Ackermann & Tilajef, P.C., Melmed Law Group, P.C., and Burnette, Dobson & Pinchak ("Class Counsel") will receive up to \$166,650.00 in attorneys' fees, plus actual costs incurred up to \$15,000. These attorneys' fees and costs will be hereinafter referred to as "Class Counsel Fees & Costs." The Class Counsel Fees & Costs will fully compensate and reimburse Class Counsel for any and all of the work performed in the *Long* Action and all work remaining to be performed in fully and finally resolving the *Long* Action, including but not limited to preparing and filing both preliminary and final motions and/or stipulations for securing Court approval of the settlement, making sure that the settlement is fairly and properly administered and defending the settlement in any appeal or other post-approval matter. Covenant will pay such Class Counsel Fees and Costs from the Settlement Amount.
- d. **CLASS REPRESENTATIVE'S ENHANCEMENT.** As a condition of the settlement the Parties agree that an enhancement payment will be paid to Plaintiff Tami Long from the Settlement Amount in the amount of \$8,000 for serving as a Class Representative. For purposes of this settlement, Covenant stipulates to the reasonableness of the amount and agrees not to oppose a request for the above amount to be paid to the Class Representative in addition to what she would otherwise receive as Qualified Claimant.
- e. **PAYMENT TO THE LWDA.** A total of \$5,000 from the Settlement Amount will be paid to the LWDA pursuant to Labor Code § 2699(i) in satisfaction of Plaintiff's PAGA claim..
- f. **ADMINISTRATIVE COSTS.** The Parties agree that CPT Group, Inc. will serve as Claims Administrator. The Parties agree that the costs, fees, charges and expenses of the claims administration, estimated not to exceed \$28,000, will be paid from the Settlement Amount.
- g. **COVENANT'S FEES AND COSTS.** Defendant Covenant will bear its own attorneys' fees and costs.
- h. **QUALIFIED CLAIMANT DEFINED.** "Qualified Claimant" will include currently employed California-resident drivers as well as those members of the Settlement Class who timely submit a Claim Form that is signed and dated. All Claim Forms must be signed and dated to be considered valid.
- i. **CLASS MEMBERSHIP WILL BE BASED ON COVENANT'S RECORDS.** Covenant's records will be presumptively valid with respect to determining the amount payable to Qualified Claimants based on the total number of pay periods that they worked during the Class Period. You have the right to challenge the number of pay periods that you worked during the Class Period, as set forth in Section II of the Claim Form. In order to do so, you must complete Section III of the Claim Form (in addition to the rest of the Claim Form). Please note that the only pay periods that count for purposes of this settlement are those pay periods between August 17, 2011 and [DATE

OF PRELIMINARY APPROVAL].

- j. **RELEASE.** The Claim Form will contain a release (described in more detail below), which releases Covenant and Releasees (as defined below) from any and all claims each Class Member may have based on the allegations in the *Long* Action.

3. **WHAT ARE YOUR RIGHTS AS A CLASS MEMBER?**

Your interests as a Class Member are represented by Plaintiff and Class Counsel. Unless you opt out of the Settlement Class, you are a part of the Settlement Class, and you will be bound by the terms of the settlement agreement and any final judgment that may be entered by the Court. Consequently, you will be deemed to have released certain claims against Covenant as described below. As a member of the Settlement Class you will not be responsible for the payment of attorneys' fees or reimbursement of litigation expenses unless you retain your own counsel, in which event you will be responsible for your own attorneys' fees and costs.

4. **SUBMITTING A CLAIM FORM**

Anyone who wishes to submit a claim must complete and sign the Claim Form and return it via First Class U.S. Mail or the equivalent to:

Covenant Claims Administration
c/o CPT Group, Inc.
16630 Aston Street
Irvine, California 92606

The Claim Form must be postmarked no later than **45 calendar days from the date of mailing** in order to be valid. If the Claim Form is sent from within the United States it must be sent through the United States Postal Service via First Class U.S. Mail or the equivalent. If you lose, misplace, or need another Claim Form, you should also contact the Claims Administrator at the address above as well as notify Class Counsel, whose contact information is provided below.

Covenant will not discourage Class Members from timely filing Claim Forms. In addition, state law protects Class Members from retaliation based on their decision to participate in a class action settlement.

5. **EXCLUDING YOURSELF FROM THE SETTLEMENT**

Any person who does not wish to participate in the class settlement may exclude himself or herself (*i.e.*, "opt-out") by submitting a written request for exclusion to the Claims Administrator. The written request for exclusion must clearly and unequivocally indicate your desire to be excluded from the class settlement. The request for exclusion must include your name, address, social security number, request for exclusion, and signature. The written request for exclusion must be returned by First Class U.S. Mail, or the equivalent to:

Covenant Claims Administration
c/o CPT Group, Inc.
16630 Aston Street
Irvine, California 92606

The request for exclusion must be postmarked no later than **[45 calendar days from the date of mailing]** to be valid. If the request for exclusion is sent from within the United States, it must be sent through the United States Postal Service via First Class U.S. Mail, or the equivalent.

Any person who submits a complete and timely request for exclusion shall, upon receipt, no longer be a member of the Settlement Class, shall be barred from participating in any portion of the class settlement, and shall receive no benefits from the class settlement. Any such person, at his or her own expense, may pursue any claims he or she may have against Defendant.

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DO NOT SUBMIT BOTH THE CLAIM FORM AND REQUEST FOR EXCLUSION. IF YOU SUBMIT BOTH, THEN THE REQUEST FOR EXCLUSION WILL BE INVALID, YOU WILL BE INCLUDED IN THE SETTLEMENT CLASS, AND YOU WILL BE BOUND BY THE TERMS OF THE SETTLEMENT, INCLUDING THE RELEASE OF CLAIMS DESCRIBED IN SECTION H BELOW.

6. OBJECTION TO SETTLEMENT

Class Members who do not opt out of the class settlement have the option of objecting to it. Objections to the terms of the settlement must be filed and served no later than **[45 calendar days from the date of mailing]** to be valid. If you intend to object to the settlement but wish to receive your share of the settlement funds, then you must timely submit your Claim Form as stated above. If the Court rejects your objection, then you will still be bound by the terms of the settlement. To object, you must file a written objection and a notice of intention to appear at the Final Approval Hearing currently set for [date], at [time] in Courtroom 1A of the United States District Court for the Eastern District of Tennessee, 900 Georgia Avenue, Chattanooga, Tennessee 37402, and send copies to the following:

CLASS COUNSEL

Craig J. Ackerman, Esq.
Ackermann & Tilajef, P.C.
1180 South Beverly Drive, Suite 610
Los Angeles, CA 90035
Telephone: (310) 277-0614
Facsimile: (310) 277-0635

Jonathan Melmed, Esq.
Melmed Law Group, P.C.
1180 South Beverly Drive, Suite 610
Los Angeles, CA 90035
Telephone: (310) 824-3828
Facsimile: (310) 862-6851

Donna Mikel, Esq.
Burnette, Dobson & Pinchak
711 Cherry Street
Chattanooga, TN 37402
Telephone: (423) 266-2121
Facsimile: (423) 266-3324

COVENANT'S COUNSEL

Richard H. Rahm, Esq.
Kai-Ching Cha, Esq.
Littler Mendelson, P.C.
333 California Street, 34th Floor
San Francisco, CA 94104
Telephone: (415) 677-3104
Facsimile: (415) 743-6542

CLAIMS ADMINISTRATOR

Covenant Claims Administration
c/o CPT Group, Inc.
16630 Aston Street
Irvine, CA 92606

Any written objection(s) must state each specific reason in support of your objection and any legal support for each objection. Your objection must also state your full name, address, telephone number, and the dates of your employment with Covenant. **To be valid and effective, any objection to the approval of the settlement must be filed with the Clerk of the Court and served upon and received by the Claims Administrator and each of the above-listed attorneys no later than [45 calendar days from the date of mailing]. DO NOT TELEPHONE THE COURT.**

If you choose to file an objection to the terms of the settlement, you may enter an appearance in propria persona (meaning you choose to represent yourself) or through your own attorney. To do so, you must file an entry of appearance with the Clerk of the United States District Court for the Eastern District of Tennessee, Chattanooga Division, and deliver copies to each of the attorneys listed above. Such entry of appearance must be filed with the Court and delivered to the above attorneys no later than [45 calendar days from the date of mailing]. You will then continue as a Class Member either *in propria persona* or with representation by your own attorney and will be solely responsible for the fees and costs of your attorney. The Final Approval Hearing at which the Court will be asked to approve the settlement will be held at [time] on [date], or such later date as the court may authorize, in Courtroom 1A of the United States District Court for the Eastern District of Tennessee, 900 Georgia Avenue, Chattanooga, Tennessee.

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IF YOU INTEND TO OBJECT TO THE SETTLEMENT BUT STILL WISH TO RECEIVE YOUR SHARE OF THE CLASS SETTLEMENT FUNDS, THEN YOU MUST TIMELY SUBMIT YOUR CLAIM FORM AS STATED ABOVE. IF THE COURT APPROVES THE SETTLEMENT DESPITE ANY OBJECTIONS AND YOU DO NOT HAVE A CLAIM FORM ON FILE, YOU WILL NOT RECEIVE ANY SETTLEMENT PROCEEDS BUT WILL STILL BE BOUND BY THE TERMS OF THE SETTLEMENT, INCLUDING THE RELEASE OF CLAIMS DESCRIBED IN SECTION 8 BELOW.

7. EFFECT OF DOING NOTHING

You are not required to take any action by reason of receipt of this Notice. If you do not submit a Claim Form or do not exclude yourself from the class, you will be bound by this settlement, receive none of the settlement proceeds, and be barred from separately pursuing the claims released by the settlement described in Section 8 below.

8. EFFECT OF THE SETTLEMENT

A. Released Claims

Each Class Member who does not opt out of the settlement, shall, for the period of time extending from August 17, 2011 to [the date of preliminary approval], fully release and forever discharge Covenant and its present and former officers, directors, employees, shareholders, agents, representatives, attorneys, insurers, parent companies, subsidiaries, affiliates, predecessors, successors, assigns, (the foregoing are collectively referred to as the "Releasees") from the Released Claims.

"Released Claims" mean the claims to be released by the Class Members during the Class Period. The Released Claims consist of any and all claims, cause of action, damages, wages, benefits, expenses, penalties, debts, liabilities, demands, obligations, attorneys' fees, costs, and any other form of relief or remedy at law or in equity asserted by Plaintiff against Defendant in the *Long* Action, including: (1) failure to pay separately and hourly for time spent by drivers on rest breaks and on-duty not driving time, pursuant to Labor Code sections 1194, 1194.2; (2) failure to provide paid rest periods and pay missed rest break premiums, pursuant to Labor Code sections 226.7, 512, IWC Wage Order no. 9; (3) failure to provide meal periods and pay meal period premiums, pursuant to Labor Code sections 226.7, 512; (4) failure to provide accurate wage statements, pursuant to Labor Code section 226; (5) waiting time penalties, pursuant to Labor Code sections 201 – 203; (6) failure to reimburse business expenses, pursuant to Labor Code section 2802; (7) penalties under the Labor Code Private Attorney Generals Act of 2004 ("PAGA"), California Labor Code sections 2698, *et seq.*; and (8) Violation of California Business and Professions Code sections 17200, *et seq.* (the "UCL"), and any statutory or liquidated damages based on the above alleged causes of action. The Released Claims include any and all other claims under federal law (including the Fair Labor Standards Act), state or local law arising from or reasonably related to the facts alleged in the *Long* Action. The Released Claims also include claims for damages, restitution, injunctive relief, declaratory relief, and any other form of relief or remedy (whether based on contract, tort, or statutory violation), as well as claims for interest, costs and attorneys' fees (including those costs and attorneys' fees pursuant to, but not limited to, Labor Code sections 218, 218.5, 1194, 2699, and Code of Civil Procedure section 1021.5), arising from or reasonably related to the facts alleged in the *Long* Action.

If you fall within the definition of the Settlement Class *and* you do *not* elect to exclude yourself from the Settlement Class, *you will be deemed to have entered into this release and to have released the above-described claims even if you do not timely submit a Claim Form.* In addition, you will be barred from ever suing the Releasees with respect to the matters being settled and released in this settlement. If the settlement is not approved by the Court or does not become final for some other reason, then the litigation will continue.

B. Settlement Payments

Qualified Claimants will be paid within approximately forty-five (45) calendar days after entry of an order granting final court approval of the settlement by the Court, or, if there is any objection to the settlement that is not withdrawn, then after all rights to appeals are exhausted.

9. FINAL SETTLEMENT APPROVAL HEARING

The Court will hold a hearing on [DATE], at [TIME], in Courtroom 1A of the United States District Court for the Eastern District of Tennessee, 900 Georgia Avenue, Chattanooga, Tennessee 37402, to determine whether the settlement, including all its terms, should be finally approved as fair, reasonable, and adequate (the "Final Approval Hearing"). The Court will also be asked to approve Class Counsel's request for attorneys' fees and reimbursement of costs and expenses and the Enhancement Award paid to the Class Representative. Class Counsel's application for attorneys' fees and reimbursement of expenses will be on file with the Court no later than [DATE], and will be available for review after that date. A summary of Class Counsel's work on this case to date, including their estimated total combined hours worked on this case to date and their estimated litigation costs incurred to date, was included in Class Counsel's Motion for Preliminary Approval of the Settlement, which is already on file with the Court and available for review.

The final approval and fairness hearing may be continued (moved to another date) without further notice to the Settlement Class. It is not necessary for you to appear at the Final Approval Hearing unless you have timely filed an objection with the Court.

10. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the settlement. For the precise terms and conditions of the settlement, you are referred to the detailed Stipulation of Class Action Settlement and Release Between Plaintiff and Defendant (the "Stipulation") and Order thereon, which will be on file with the Clerk of the Court, under Case No. 1:15-cv-00278-TRM-SKL. The pleadings and other records in this litigation, including the Stipulation, may be examined at any time during regular business hours at the Office of the Clerk of the United States District Court for the Eastern District of Tennessee, 900 Georgia Avenue, Chattanooga, Tennessee 37402. You can also request a copy of the Stipulation by contacting Class Counsel. If you want any additional information about this lawsuit and its proceedings, you can contact Class Counsel or the Claims Administrator:

CLASS COUNSEL

Craig J. Ackerman, Esq.
Ackermann & Tilajef, P.C.
1180 South Beverly Drive, Suite 610
Los Angeles, CA 90035
Telephone: (310) 277-0614
Facsimile: (310) 277-0635

Jonathan Melmed, Esq.
Melmed Law Group, P.C.
1180 South Beverly Drive, Suite 610
Los Angeles, CA 90035
Telephone: (310) 824-3828
Facsimile: (310) 862-6851

Donna Mikel, Esq.
Burnette, Dobson & Pinchak
711 Cherry Street
Chattanooga, TN 37402
Telephone: (423) 266-2121
Facsimile: (423) 266-3324

CLAIMS ADMINISTRATOR

Covenant Claims Administration
c/o CPT Group, Inc.
16630 Aston Street
Irvine, CA 92606

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS.

EXHIBIT B

CLAIM FORM

Tami Long, et. al., v. Covenant Transport, Inc.

In order to be eligible to receive any monetary recovery, you must be a member of the Settlement Class and must complete, sign and mail this Claim Form by first class mail or equivalent, postage paid, postmarked on or before 45 calendar days from the date of mailing, addressed as follows:

CPT ID: <<CPT ID>>

<<Name>>

<<Address1>>

<<Address2>>

<<City>>, <<State>> <<Zip>>

CORRECT NAME AND ADDRESS HERE:

Telephone Number: (____) ____ - ____

TAMI LONG V. COVENANT TRANSPORT, INC.

CLAIMS ADMINISTRATION

C/O CPT GROUP, INC.

16630 ASTON STREET

IRVINE, CA 92606

* A SELF-ADDRESSED ENVELOPE IS ENCLOSED FOR YOUR
CONVENIENCE.

I. INSTRUCTIONS

1. Please complete, sign and mail this Claim Form in order to be eligible for monetary recovery.
2. If you move, please send the Claims Administrator your new address. It is your responsibility to keep a current address on file with the Claims Administrator.
3. If found eligible, you should not expect to receive any payment until approximately [INSERT DATE].

II. CLAIM INFORMATION:

The records of Covenant Transport, Inc. ("Covenant" or "Defendant") reflect that you worked the following number of weekly pay periods as a driver for Covenant between August 17, 2011 and [date of preliminary approval]: _____. Based on the number of weekly pay periods you worked as a driver during the class period, your Estimated Payment under the Settlement will be **[EST. AMOUNT]**. The Estimated Payment may increase based on the number of Claim Forms submitted, but it will not decrease.

Is this number of pay periods during the Class Period accurate to the best of your knowledge?

☐ Yes

☐ No

If you answered no, please provide specific information and written documentation regarding the number of pay periods you worked as a driver for Covenant during the Class Period.

If you dispute the number of pay periods as stated above, Covenant will review its records and provide information to the Claims Administrator in response to your dispute. Covenant's records will be presumed determinative, but the Claims Administrator will evaluate the documents and/or information sent by you, consult with the Parties' counsel, and make the decision as to the correct calculation. Such a determination by the Claims Administrator will be final and binding with no opportunity for further appeal. You will be notified in writing of the results of the disputed claim by the Claims Administrator.

Please Note: All Settlement Awards are subject to taxation as wages and will be reported to the IRS and state tax authorities. You will receive IRS Forms W-2 and MISC covering your Settlement Award. Although Covenant has your Social Security Number, your check will be issued by the Claims Administrator using your Social Security Number ("SSN").

IV. RELEASE OF CLAIMS

By signing below I fully release and forever discharge Covenant Transport, Inc. and its present and former officers, directors, employees, shareholders, agents, representatives, attorneys, insurers, parent companies, subsidiaries, affiliates, predecessors, successors, assigns (the foregoing are collectively referred to as the "Releasees") from the Released Claims for the period of time extending from August 17, 2011 to [the date of preliminary approval] (the "Class Period").

"Released Claims" mean the claims to be released by the Class Members during the Class Period. The Released Claims consist of any and all claims, cause of action, damages, wages, benefits, expenses, penalties, debts, liabilities, demands, obligations, attorneys' fees, costs, and any other form of relief or remedy at law or in equity asserted by Plaintiffs against Defendant in the Complaint in the class action titled *Tami Long, et. al., v. Covenant Transport, Inc.* ("the Long Action") including: (1) failure to pay separately and hourly for time spent by drivers on rest breaks and on-duty not driving time, pursuant to California Labor Code sections 1194, 1194.2; (2) failure to provide paid rest periods and pay missed rest break premiums, pursuant to California Labor Code sections 226.7, 512, IWC Wage Order no. 9; (3) failure to provide meal periods and pay missed meal period premiums, pursuant to California Labor Code sections 226.7, 512; (4) failure to provide accurate wage statements, pursuant to California Labor Code section 226; (5) waiting time penalties, pursuant to California Labor Code sections 201 – 203; (6) failure to reimburse business expenses, pursuant to California Labor Code section 2802; (7)

penalties under the California Labor Code Private Attorney Generals Act of 2004 (“PAGA”), California Labor Code sections 2698, *et seq.*; and (8) Violation of California Business and Professions Code sections 17200, *et seq.* (the “UCL”), and any statutory or liquidated damages based on the above alleged causes of action. The Released Claims include any and all other claims under federal law (including the Fair Labor Standards Act), state or local law arising from or reasonably related to the facts alleged in the *Long* Action. The Released Claims also include claims for damages, restitution, injunctive relief, declaratory relief, and any other form of relief or remedy (whether based on contract, tort, or statutory violation), as well as claims for interest, costs and attorneys’ fees (including those costs and attorneys’ fees pursuant to, but not limited to, California Labor Code sections 218, 218.5, 1194, 2699, and California Code of Civil Procedure section 1021.5), arising from or reasonably related to the facts alleged in the *Long* Action.

I understand that Covenant will not retaliate against me because of my participation as a class member in this settlement, including but not limited to the submission of a claim.

I affirm that I am entitled to a Settlement Award for the Released Claims, that the foregoing release is voluntary and true and correct, and that I would like to claim my settlement award.

Date

Signature of Claimant

Print Name